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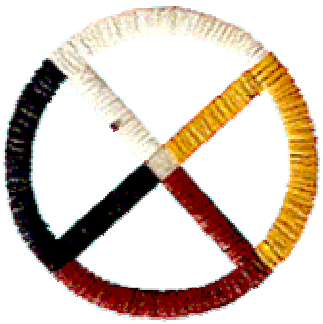

A LOOK 5 YEARS INTO THE FUTURE

Before examining reforms in the Indian health care system, it is helpful to look at trends in broader health care arena for potential impacts on the Indian health care system. This section provides a look at broad trends as a whole and examines specific trends in health care practice, costs and revenues, political issues in the health care arena, and the Indian population and demographics.

Trends in the Health Care Arena

The Indian health care system is not isolated and protected from change that is occurring in the American health care arena. Indian people are directly affected by trends in healthcare delivery systems, changing technologies, health economics, evolving patterns of disease, population demographics, and advancing medical practices. While the issues are complex and fast changing, several key trends are likely to emerge during the next five years.

TREND	IMPACT
Escalating technological change	Technologic innovation in health care is progressing rapidly and is a significant force raising costs. Whether or not there is sufficient resources for American Indians and Alaska Natives to have full access to these technologies is an open question. Already there are limits.
Shifting patterns of disease	In American Indian and Alaska Native (AI/AN) populations, chronic health problems and lifestyle affected diseases are clearly the most significant reality ahead. The health care literature abounds with examples of individual behavior increasing risks for disease and healthcare costs. Dietary excess leading to obesity results in much higher patient risks for heart disease, diabetes, osteoarthritis, pulmonary disease, and some other less common diseases. Smoking has clear impact on the rates and intensity of lung disease and cardiovascular disease. Addictions or abuse of chemicals contribute to deaths by accidents, family violence, and suicide. Of special concern in Native communities is alcohol abuse, and more recently, methamphetamine abuse, which are associated with Hepatitis B and C and other liver disease. Mental health diagnoses associated with long term chronic diseases and the devastating impact of chemical abuse and its consequent social impacts are on the rise in Indian Country.
Health promotion and disease prevention	It is increasingly evident that health promotion, disease prevention are effective ways to reduce future healthcare costs and improve quality of life for Indian people. The future survival of Native communities may

	depend on finding new approaches to sustaining health where technological interventions have little or no impact.
Rising expectations of Indian people	The Indian population has rising expectations of the Indian health care system. Indian people expect medical services, advanced technologies, and modern facilities that are available elsewhere in the U.S. to be readily available to them. Yet, per capita funding for Indian healthcare lags substantially behind expenditures for other Americans (see section 3). This reality forces rationing of access and services which conflicts with rising expectations among Indian patients. This often alienates patients from the system, making acceptance of health promotion messages regarding life style choices more difficult to achieve.
Re-vitalized Native practices and values	Re-vitalized Native community commitment to traditional practices and values concerning health could play a vital role in disease prevention and health promotion strategies. Awareness of balanced living and the role of traditional foods and life styles are re-emerging in Indian communities.
Comprehensive focus on underlying conditions	Parity in access to modern health care treatment and prevention services is essential for eliminating health disparities, but a narrow focus on resource parity alone is insufficient. A broader strategy that also includes partnerships with Federal, state, and tribal governments, business, educational systems, and law and order systems is necessary to change the underlying conditions of poverty, isolation, and education that condition behavior and lifestyle choices.
Tribal self-determination	Increasingly, Tribes operate and manage health care systems within native communities. This is one result of the self-determination movement for growth in tribal management capacity and infrastructure.

Health Conditions Trends

TREND	IMPACT
Increasing prevalence of chronic diseases (Diabetes, etc.)	Chronic diseases lead to longer clinic visits, more healthcare delivery outside the clinic, increased time hospitalized, increased need for services, and spiraling costs.
Increasing efforts to prevent disease	Expect higher costs in the short term, especially more competition for scarce resources between treatment and prevention. Expanding the prevention efforts depends on developing national, Area, and local expertise in prevention programs.
Periodic mini-epidemics (e.g., Hanta virus, etc.)	Anticipate expanding partnerships with States, Schools of Public Health, more public health infrastructure locally, regionally and nationally. Vaccine costs will rise.
Increasingly drug resistant organisms	Drug and pharmacy costs will continue to rise. Expect increased standardization using evidence based medicine and Information Technology (IT) in hands of clinicians.
"New" diseases (e.g. Hepatitis C) will emerge	Anticipate more emphasis on epidemiology, more interagency reliance, greater ongoing disease surveillance, more public health capacity. Spread of infectious diseases is now "global" given an airline interconnected world. New therapies will come with high costs.
Bio-terrorism preparedness	Preparations including stockpiled medications, personal protective equipment, decontamination, upgraded facility, increased training, and coordination among levels of governments will increase costs. Bio-terrorism can detract attention and resources from other health care.

Quality of life	Expect greater emphasis on the functional wellbeing of individuals/families and increasingly difficult ethic/legal decisions. Partners outside the Indian health system are critical (e.g., HUD for transitional housing or assisted living housing).
Mental health	Anticipate expanding mental health services, growing costs, emphasis on traditional healing, and partnerships with law and order agencies.
Organ Transplants	Demand for organ transplants will increase and costs will increase.

Cost and Revenue Trends

TREND	IMPACT
Pharmaceuticals	Expect more standardization and limits on types of medications within particular classes, more public advertising by drug companies, and internet information in consumer hands. These trends create more demands by individuals for specific drugs. Expect newer agents "genetically tailored" to specific individual genetic make-up.
Expanding requests for other than clinical services	Expect growing community demands for school health programs, public safety support, wellness centers, new "incentive based" health promotion efforts, group home construction, and expanding demands on "care-giving" facilities.
Applications of the Human Genome Project	Anticipate growing numbers of treatments tailored to genetically determined health conditions. Related ethical questions will require education of providers, patients and community leaders.
Medicare reimbursements	Federal legislation could reduce Medicare benefits (or increase costs of Medicare coverage for some individuals) in order to provide broader prescription drug coverage.
Medicaid reimbursements	Under severe budgetary strains, States are setting benefits "caps" that reduce benefits and coverage and will result in less 3rd party reimbursement to I/T/Us and higher CHS costs.
Discretionary federal spending	Congress has signaled less spending for discretionary programs and more priority on existing entitlements and defense.
Outpatient service reimbursement	The reimbursement formula proposed by the CMS for January 1, 2004 eliminates the existing "OMB all inclusive rate" and may decrease revenue by 25% to 33%.
TANF	Third party coverage may decline (persons formerly on entitlements will be in low wage, part time jobs typically without health care benefits). Expect patients to migrate in and out of the Indian health system as their eligibility for Medicaid fluctuates on a monthly basis.
Private insurance	Three trends are clear: 1) fewer employers are offering health care insurance, 2) scope of benefits in employer sponsored insurance is increasingly more restricted, and 3) employees are picking up more of the costs (co-pays, deductibles, share of premiums). The numbers of the uninsured Americans is growing and covered benefits are shrinking. More Indian people will become increasing reliant on the IHS. The prospect for third party collections will level off or decline.
Wages for healthcare workers	Physician compensation will be flat but expect increases for nurses, technologists, technicians, pharmacists, dentists, many others.
Malpractice settlements	Anticipate litigation by patients to increase. Legislated caps on amounts of awards are proposed.
Emergency Medical Services	Expect fewer rural hospitals, greater utilization of Emergency Medical Services, more pre-hospital delivery services, greater technologic

	capacity in pre-hospital services, and increased use of Emergency Rooms for primary care particularly in urban areas.
Quality is imperative	Expect increasing attention to tracking and preventing medical errors (pharmacy equipment, IT equipment, needless technology, etc.).

Political Issues Trends

TREND	IMPACT
Costs and access are significant issues	Health care access and costs likely will be prominent campaign issue in Federal/State elections for 2002, 2004, 2006.
Consolidation of facilities/programs	Expect fewer rural hospitals with more restricted treatment capability, larger integrated healthcare networks, fewer individual physician practices, more ambulatory care and home care emphasis.
Rationing	Health insurance plans are reducing benefits at the same time that demands for higher cost technologies (laser versus eyeglasses, robotic surgery, painless dentistry, etc.) are rising.
Pace of change	Expect accelerated change in individual lives and healthcare programs. Increased demands for governments at all levels to be "nimble".
Increased expectations by others	IHS/Tribes can lead national and international efforts in reducing disparities and implementation of efficient health delivery models.
Enhanced local control	Expect loss of economies of scale in operations especially for support functions, increased emphasis on patient satisfaction, tribal capacity for traditional programs, strengthened tribal governments, communication among Tribes and between Tribes and Federal and other governmental entities (e.g., states with regards to public health jurisdictional and response issues), bidirectional technical support between IHS and Tribes, and evolving local interpretations of eligibility policies in response to a resource crunch.

Population Trends

TREND	IMPACT
Aging population	The Indian population is growing at 2.5% annually and more Indian people are living to stages in life when chronic health problems are numerous. Treatment of chronic problems, especially near the end of life, is extremely expensive. Expect costs of caring for an older population with chronic health problems to grow dramatically. The percentage of I/T/U resources used to care for older citizens will increase. Competition for scarce resources between chronic treatment and disease prevention will escalate.
Formally educated population	With more education and rising expectations for health care, Indian patients expect more services, particularly expensive technological services. They become better informed consumers able to choose alternatives to I/T/Us and expect more complete services.
Internet world	Both the Indian health system workforce and Indian patients are becoming more reliant on computers and the internet. Interactive tools at home/hospitals/clinics for patients will become widely available. Expectations for quality improvements using computer based approaches and electronic medical records has increased. Anticipate a higher percentage of spending on Information Technology. HIPAA implementation will drive up costs.

Patient satisfaction	Absolute expectation for services quality and patient satisfaction. Increasing use of centers of excellence, especially for more complex medical and technological services. More systems approach to services.
Staff retention	Provider attitudes have changed and now focus more on individual needs (e.g., salary, work schedules, etc.) and less on commitment to community. Anticipate shortages. Emphasize retaining professionals who excel and are loyal. Consider innovations such as opening Tribal/IHS facilities to full-time "private" doctors with their own offices.
Increasing urban migration	Census data shows an increase in the number of AI/AN individuals living in urban environments away from traditional tribal communities and governments. Access to culturally relevant health care is a rising concern for these populations and the extent of the Federal responsibility is in question.

Focus Areas for the Indian Health Care System during the next 5-7 Years

7.1 Make disease prevention the key objective.

An expanding beneficiary population, growing numbers of elders with chronic health problems, rising expectations for technological care, and mounting medical costs will increase pressure to devote scarce resources to treatment at the expense of prevention. But statistics suggest technologic solutions have limited utility in raising general health status, especially for chronic health problems related to lifestyle and behavior. A wiser approach is to invest a greater portion of the resources in health promotion and disease prevention. Because the competition between treatment and prevention for scarce resources will increase, it is crucial that System-wide policy redefine benefits and spending goals to assure sufficient investment in measures that will prove more beneficial to health in the long run.

7.2 Focus on behavior and lifestyle.

Avoiding risky behaviors and adopting healthier lifestyles would lead to significant improvement in health and avoidance of future treatment costs. Expand measures in both the clinical and community settings promoting healthy behavior and lifestyles. Since the majority of behavioral health programs are operated by Tribes, a joint analysis of performance and proven intervention measures is appropriate in designing these programs. Respect for traditional native health practices and values and their integration with behavioral health and wellness programs is a successful model proven in many Indian communities.

7.3 Strengthen public health capacity.

Public health capacity is an essential element of a comprehensive disease prevention strategy. Expand epidemiology (EPI) centers to detect and track emerging Indian health problems and to assess program effectiveness in countering Indian health problems. A new Indian Institute of Public Health may be a useful to strengthen public health knowledge in Indian Country and training for public health leaders. Coordinate patient education in clinical settings with a public health strategy of community outreach and education.

7.4 Invest in information technology.

Paradigms for clinical care, prevention, and public health are changing in response to rapid advances in information technologies and the internet. Modern medical practice depends heavily on information technology. While most disease prevention strategies are not highly technological themselves, information technology is vital to coordination of treatment, disease prevention, and

public health components necessary for maximum effectiveness. Enhance and integrate communications linkages among I/T/Us, tele-medicine capability, epidemiologic reporting and analysis, computerized patient records, productivity analysis, revenue and cost tracking, hand held technologies, and better information for providers and managers.

7.5 Workforce: re-examine the mix, strengthen recruitment and retention.

Re-examine the skills mix needed for an evolving health care system with a new mix of treatment, prevention, and public health components. Fund educational programs to develop necessary skills. Expand scholarship funding on a per capita basis. Enhance recruitment and focus on retaining valuable staff. Restructure personnel systems and support packages for appropriate reimbursement and training. Analyze and plan for contemporary market forces in the workforce. Legislation may be necessary to reform or gain exemptions from Federal personnel systems.

7.6 Adapt facilities for a broader approach to health.

Historically, IHS hospitals and ambulatory clinics were designed emphasizing patient treatment capacity. Space for community and public health activities was included but secondary. While modernizing and expanding patient treatment capacity in IHS health care facilities, adapt future facility plans to include more disease prevention and wellness capacity, chronic disease management and rehabilitation, assisted living, public health, community outreach and other innovations to address changing disease, population, and costs.

7.7 Adapt administrative support capacity to emerging trends.

Financial management, billing and collections, human resources functions, information technology, and supply and procurement systems must quickly adapt to changing trends. Realign the IHS' administrative support capacity and approach to human resources, cost accounting, timely billing, information systems to support decision making, and timely cost effective supply systems. Analyze staffing patterns and training and shift to "best in the business" models.

7.8 Reinforce linkages among I/T/Us.

In isolation, individual I/T/U, which are small by industry standards, are often inconsequential within larger market forces. In combination, the I/T/U system has much strength. Reinforce its strengths by solidifying structural relationships between I/T/Us, enhancing communications linkages, sharing analytic and technical assistance capacity. Identify new configurations that offer potential synergies from linking I/T/U capacities.

7.9 Assure that administrators are knowledgeable about healthcare.

Health care expertise is prerequisite for managers of successful health care systems. The literature indicates that the "best in the business" in healthcare expend significant resources continually training administrators on contemporary healthcare principles. Ensure contemporary business and health care training for administrative staff at all levels of the system.

7.10 Market as the "system of choice".

A case can be made that the Indian health system is the finest rural health care system in the Nation, but many Indian people, other health care networks with American Indian and Alaska Native beneficiaries, and millions of Americans know little about Indian health care and often rely on erroneous information. Inform, correct erroneous stereotypes, and market the Indian health system to be the "system of choice" for its patients and third party networks with Indian beneficiaries. Continuously measure patient satisfaction and make it a central focus in marketing the "system of choice."